

DRAFT

**State-Local Partnership Program Guidelines**

**General Program Policy**

1. Authority and purpose of guidelines. The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by the voters as Proposition 1B on November 7, 2006, authorized \$1 billion to be deposited in the State-Local Partnership Program (SLPP) Account to be available, upon appropriation by the Legislature, for allocation by the California Transportation Commission over a five-year period to eligible transportation projects nominated by an applicant transportation agency. The Bond Act required a dollar for dollar match of local funds for an applicant agency to receive state funds under the program.

In 2008, the Legislature enacted implementing legislation (AB 268) to add Article 11 (commencing with Section 8879.66) to Chapter 12.491 of Division 1 of Title 2 of the Government Code. Article 11 defines the purpose and intent of the program, defines the eligibility of applicants, projects, and matching funds, and provides that 95% of program funds will be distributed by formula to match voter-approved transportation taxes and fees and that the remaining 5% will be available for a competitive grant application program to match uniform developer fees. Section 8879.74 requires the Commission to adopt an annual program of projects for the program and to develop and adopt guidelines to implement the program, consistent with Article 11. Initial project allocations are to be made by April 2009.

Earlier legislation to implement the Bond Act (SB 88, 2007) designated the Commission as the administrative agency for the SLPP and mandated that various administrative and reporting requirements be incorporated in the guidelines for all programs established by Proposition 1B.

2. Program of Projects. The Commission will adopt an annual program of projects for the SLPP, by April 2009 for 2008-09 and by October for each fiscal year thereafter. The program will consist of projects nominated by eligible applicants for the formula program and projects selected by the Commission under the competitive grant program to match uniform developer fees.

The program of projects for each fiscal year will include, for each project, the amount to be funded from the SLPP, the source of the dollar-for-dollar match of SLPP funding, and the estimated total cost including any additional supplementary funding. The Commission will program and allocate funding to projects in whole thousands of dollars and will include a project only if it is fully funded.

### **Formula Program for Voter-Approved Taxes and Fees**

3. Annual Funding Shares. The Commission will adopt the annual funding share for each eligible applicant for the Voter-Approved Taxes and Fees Subaccount with the adoption of these guidelines for 2008-09 and prior to the beginning of each subsequent fiscal year. These shares will be determined in accordance with Government Code Section 8879.72 and rounded to the nearest whole thousand dollars. In establishing funding shares, the Commission will use the following:
- For toll revenues, the most recent annual toll revenue data for the voter-approved tolls (Regional Measures 1 and 2) reported in audited financial statements from the Bay Area Toll Authority.
  - For parcel and property tax revenues, the annual revenue data included in the most recent State Controller's report of financial transactions for special districts.
  - For local sales tax revenues, the sum of gross revenues for the most recent four quarters as reported for each local tax by the Board of Equalization.
  - For population, the annual population estimate for cities and counties issued by the Department of Finance in May prior to the beginning of each fiscal year.

The Commission will determine a funding share for each eligible applicant with a voter-approved tax or fee in effect as of July 1, the first day of the fiscal year. Where a city has a voter-approved local sales tax and is located within a county without a countywide sales tax, the Commission will adopt a funding share for the city based on the city's population. Where there are multiple eligible applicants with a voter-approved local sales tax within the same county, the Commission will adopt a single countywide funding share based on the population for the county.

The Commission will set aside up to 2 percent of the total amount appropriated each year for the program as a reserve for bond administrative expenses. In the absence of an enacted state budget, the Commission may establish the funding shares based on its best estimate of the amount that the Legislature will appropriate to the SLPP Account, subject to adjustment based on the final appropriation in the Budget Act.

4. Project nominations. The Commission will include in the annual program of projects each project nominated by an eligible applicant for a formula funding share provided that the Commission finds that the nomination meets the requirements of statute and that the project has a commitment of the required match and any supplementary funding needed for full funding. Each applicant should submit its nomination by February 17, 2009 for 2008-09 and by August 15 for each fiscal year thereafter. The Commission's program of projects will not include a project nomination that exceeds the applicant's formula funding share.

For each nominated project, the applicant should submit project information using the Project Programming Request form in use for STIP projects. The nomination should

identify the implementing agency, which may be different from the applicant agency. As specified in statute, the nomination shall include:

- A description of the nominated project, including its cost and scope and the specific improvements and benefits it is anticipated to serve. The description should identify the project's useful life.
  - A description of the project's current status, including the current phase of delivery, and the schedule for the completion of construction or acquisition.
  - A description of how the project would support transportation and land use planning goals within the region.
  - The amount and source of matching funds.
  - The amount of SLPP funds requested.
5. Balance of funding share. If the program of projects adopted by the Commission does not program the full amount of an applicant's formula funding share, the balance will remain available for later program amendments supported by eligible project nominations. A balance not programmed in one fiscal year will carry over and be available in the following fiscal year.

#### **Competitive Grant Program to Match Uniform Developer Fees**

6. Project selection. The Commission will select projects from among eligible project nominations for the competitive grant program from the Uniform Developer Fees Subaccount pursuant to Government Code Section 8879.73. No single competitive grant for the SLPP may exceed \$1 million. The Commission will consider approval of a competitive grant only when it finds that the grant request meets the requirements of statute and that the project has a commitment of the required match and any supplementary funding needed for full funding. The selected projects will be included in the Commission's annual program of projects for the SLPP. Each applicant should submit its nomination by February 17, 2009 for 2008-09 and by August 15 for each fiscal year thereafter.
7. Project applications. For each project nominated for the competitive grant program, the applicant should submit project information using the Project Programming Request form in use for STIP projects. The nomination should identify the implementing agency, which may be different from the applicant agency. As specified in statute, the nomination shall include:
- A description of the nominated project, including its cost and scope and the specific improvements and benefits it is anticipated to serve. The description should identify the project's useful life.
  - A description of the project's current status, including the current phase of delivery, and the schedule for the completion of construction or acquisition.

- A description of how the project would support transportation and land use planning goals within the region.
- The amount and source of matching funds.
- The amount of SLPP funds requested.

In addition, the grant request should include a copy of the ordinance or resolution adopted by a city, county or city and county that establishes the uniform developer fee to be matched by the grant.

8. Project selection criteria. In approving grants for inclusion in the program of projects, the Commission will give consideration to geographic balance and to demonstrated project cost-effectiveness. The Commission will give higher priority to projects that are more cost-effective, that can commence construction or implementation earlier, that leverage more uniform developer fees per program dollar, and that can demonstrate quantifiable air quality improvements, including a significant reduction in vehicle-miles traveled.
9. Balance of grant program funds. If the program of projects adopted by the Commission does not program the full amount of the share for the competitive grant program, the balance will remain available for later program amendments supported by eligible project grant requests. A balance not programmed in one fiscal year will carry over and be available for the competitive grant program in the following fiscal year.

### **Project Allocations and Delivery**

10. Amendments to program of projects. The Commission may approve an amendment of the SLPP program of projects at any time. An amendment need only appear on the agenda published 10 days in advance of the Commission meeting. It does not require the 30-day notice that applies to a STIP amendment.
11. Allocations from the SLPP Account. The Commission will consider the allocation of funds from the SLPP Account for a project when it receives an allocation request and recommendation from the Department of Transportation, in the same manner as for the STIP. The recommendation will include a determination of the availability of appropriated funding from the SLPP Account and the availability of all identified and committed matching and supplementary funding. The Commission will approve the allocation if the funds are available, the allocation is necessary to implement the project as included in the adopted SLPP program, and the project has the required environmental clearance.
12. Semiannual delivery reports: As a condition of the project allocation, the Commission will require the implementing agency to submit quarterly reports on the activities and progress made toward implementation of the project.

As mandated by Government Code Section 8879.50, the Commission shall forward these reports to the Department of Finance. The purpose of the reports is to ensure that the

project is being executed in a timely fashion and is within the scope and budget identified when the decision was made to fund the project. If it is anticipated that project costs will exceed the approved project budget, the implementing agency shall provide a plan to the Commission for achieving the benefits of the project by either downscoping the project to remain within budget or by identifying an alternative funding source to meet the cost increase. The Commission may either approve the corrective plan or direct the implementing agency to modify its plan.

13. Final delivery report. Within six months of the project becoming operable, the implementing agency shall provide a final delivery report to the Commission on the scope of the completed project, its final costs as compared to the approved project budget, its duration as compared to the project schedule in the project baseline agreement, and performance outcomes derived from the project as compared to those described in the project baseline agreement. The Commission shall forward this report to the Department of Finance as required by Government Code Section 8879.50.

For the purpose of this section, a project becomes operable when the construction contract is accepted or acquired equipment is received.

14. Audit of project expenditures and outcomes. The Department of Transportation will ensure that project expenditures and outcomes are audited. For each SLPP project, the Commission expects the Department to provide a semi-final audit report within 6 months after the final delivery report and a final audit report within 12 months after the final delivery report. The Commission may also require interim audits at any time during the performance of the project.

Audits will be performed in accordance with Generally Accepted Government Auditing Standards promulgated by the United States Government Accountability Office. Audits will provide a finding on the following:

- Whether project costs incurred and reimbursed are in compliance with the executed project baseline agreement or approved amendments thereof; state and federal laws and regulations; contract provisions; and Commission guidelines.
- Whether project deliverables (outputs) and outcomes are consistent with the project scope, schedule and benefits described in the executed project baseline agreement or approved amendments thereof.

# STATE-LOCAL PARTNERSHIP PROGRAM

## TAX/TOLL REVENUES USED TO DETERMINE FUNDING SHARES

### FOR 2008-09

**DRAFT**

Voter-Approved Tolls, Parcel/Property Taxes	Annual Revenue	Source
Bay Area Transportation Authority (BATA)	248,140,901	FY 2004-05, BATA Annual Report (last year identified voter-approved separately)
Alameda-Contra Costa Transit District	58,425,730	FY 2005-06, State Controller's Office Report
Bay Area Rapid Transit District	42,762,398	FY 2005-06, State Controller's Office Report
<b>Total toll/parcel/property tax</b>	<b>349,329,029</b>	

N/S	BOE Code	Voter-Approved Transportation Sales Taxes	Yr end 2nd Q 08	Quarterly Gross Receipts (reported by Bd of Equalization)			
				2nd Q, 2008	1st Q, 2008	4th Q, 2007	3rd Q, 2007
N	002	San Mateo County Transit District	69,347,120.51	17,908,857.86	15,739,977.76	18,414,546.60	17,283,738.29
N	003	Santa Clara County Transit District	164,712,594.15	41,384,693.65	38,836,073.70	43,403,343.55	41,088,483.25
N	004	Santa Cruz Metropolitan Transit District	16,976,900.68	4,297,705.06	3,852,902.67	4,376,776.36	4,449,516.59
S	005	Los Angeles County Transportation Commission	693,475,595.99	175,157,001.49	164,891,342.97	180,432,115.20	172,995,136.33
N	006	Santa Clara County Traffic Authority	20,537.27	493.76	1,169.85	249.36	18,624.30
N	010	Alameda County Transportation Authority	590,532.47	2,971.52	1,192.30	48,237.37	538,131.28
N	012	Fresno County Transportation Authority	59,321,804.17	15,295,021.74	13,678,523.14	15,170,173.28	15,178,086.01
S	013	San Diego County Regional Transportation Commission	244,774,704.26	61,285,587.42	57,429,819.63	63,305,985.66	62,753,311.55
N	018	San Mateo County Transit Authority	69,350,003.54	17,909,825.27	15,740,477.27	18,415,703.72	17,283,997.28
N	023	Sacramento Transportation Authority	101,604,763.78	25,949,786.44	23,255,875.19	26,060,097.55	26,339,004.60
N	024	Contra Costa Transportation Authority	74,196,200.14	18,348,390.01	17,168,037.72	19,796,679.07	18,883,093.34
S	026	Riverside County Transportation Commission	143,958,648.08	35,493,852.28	34,595,479.86	37,658,721.88	36,210,594.06
N	027	San Francisco County Transportation Authority	80,346,317.27	20,059,657.20	18,998,404.24	21,446,588.49	19,841,667.34
S	029	Imperial County Local Transportation Authority	12,545,802.60	3,182,519.28	2,858,234.71	3,448,225.91	3,056,822.70
S	030	Santa Barbara County Local Transportation Authority	32,603,609.13	8,272,920.31	7,481,811.95	8,393,103.07	8,455,773.80
S	031	San Bernardino County Transportation Authority	139,914,132.98	34,847,717.82	32,727,462.12	35,627,920.67	36,711,032.37
N	034	Madera County Transportation Authority	28,439.14	7,199.80	12,477.53	8,304.64	457.17
S	035	Los Angeles County Transportation Commission	693,586,139.54	175,159,366.55	164,981,938.78	180,466,449.15	172,978,385.06
S	037	Orange County Transportation Authority	265,253,490.68	65,412,729.49	61,343,576.21	69,673,299.90	68,823,885.08
N	038	San Joaquin Transportation Authority	45,731,715.20	11,838,750.27	10,496,880.47	11,573,876.16	11,822,208.30
N	068	Town of Truckee Road Maintenance Tax	1,927,723.47	452,324.33	394,054.97	483,184.08	598,160.09
N	079	Alameda County Transportation Improvement Authority	116,589,912.89	29,335,583.77	27,070,662.90	30,356,471.52	29,827,194.70
N	084	City of Willits Road System Tax	801,857.94	210,344.44	184,185.17	201,753.77	205,574.56
N	085	City of Point Arena	44,631.04	12,589.85	9,071.09	10,575.85	12,394.25
N	094	City of Fort Bragg Maintain City Streets	843,081.30	215,786.47	189,290.44	204,570.72	233,433.67
N	102	Transportation Authority Marin County	22,356,530.85	5,553,796.09	5,155,986.82	5,958,080.68	5,688,667.26
N	115	Sonoma County Transportation Authority	19,039,151.73	4,800,018.84	4,257,637.62	5,040,804.65	4,940,690.62
N	123	Santa Clara County Valley Transportation Authority	162,024,603.89	41,030,036.31	37,990,301.75	42,498,458.02	40,505,807.81
N	144	Madera County Transportation Authority, 2006	7,819,931.70	2,078,213.97	1,755,362.27	1,997,507.40	1,988,848.06
N	146	Nevada City Street Improvements Tax	639,129.84	158,439.50	121,428.33	192,087.96	167,174.05
S	162	Tulare County Transportation Authority	25,603,004.03	6,835,852.47	5,981,871.54	6,533,152.49	6,252,127.53
N	174	City of El Cerrito Streets Improvements Tax (eff 7-1-08)	0.00	0.00	0.00	0.00	0.00
		<b>Total, Voter-Approved Sales Tax</b>	<b>3,266,028,610.26</b>	<b>822,498,033.26</b>	<b>767,201,510.97</b>	<b>851,197,044.73</b>	<b>825,132,021.30</b>
		<b>Voter-Approved Sales Tax, North</b>	<b>1,014,313,482.97</b>	<b>256,850,486.15</b>	<b>234,909,973.20</b>	<b>265,658,070.80</b>	<b>256,894,952.82</b>
		<b>Voter-Approved Sales Tax, South</b>	<b>2,251,715,127.29</b>	<b>565,647,547.11</b>	<b>532,291,537.77</b>	<b>585,538,973.93</b>	<b>568,237,068.48</b>

	Distribution Factor	Percentage
<b>Total, voter-approved tolls + taxes</b>	<b>3,615,357,639.26</b>	<b>100.00000%</b>
<b>Tolls + parcel/property tax</b>	<b>349,329,029.00</b>	<b>9.66236%</b>
<b>North sales tax</b>	<b>1,014,313,482.97</b>	<b>28.05569%</b>
<b>South sales tax</b>	<b>2,251,715,127.29</b>	<b>62.28195%</b>

# STATE-LOCAL PARTNERSHIP PROGRAM FUNDING SHARES, 2008-09

(Funding Shares in \$1,000's)

**DRAFT**

Funding Distribution of Appropriation		
Program Categories		Amount
Total Annual Program Appropriation		<b>200,000</b>
Take-off for Bond administration (2%)		4,000
Subtotal		196,000
Discretionary grant program (5%)		9,800
Formula share program (95%)	100.00000%	186,200
Tolls + parcel/property tax	9.66236%	17,991
North sales tax	28.05569%	52,240
South sales tax	62.28195%	115,969

Funding Shares Based on Voter-Approved Tolls & Parcel/Property Taxes		
Applicant Agency	Revenue Factor	Funding Share
Bay Area Transportation Authority	248,140,901	12,780
Alameda-Contra Costa Transit District	58,425,730	3,009
Bay Area Rapid Transit District	42,762,398	2,202
Total	349,329,029	<b>17,991</b>

Funding Shares Based on Voter-Approved Sales Taxes - North		
County/City	Population Factor	Funding Share
Alameda	1,543,000	7,881
Contra Costa	1,051,674	5,372
Fresno	931,098	4,756
Madera	150,887	771
Marin	257,406	1,315
Mendocino - Fort Bragg	6,890	35
Mendocino - Point Arena	493	2
Mendocino - Willits	5,032	26
Nevada - Nevada City	3,074	16
Nevada - Truckee	16,165	83
Sacramento	1,424,415	7,275
San Francisco	824,525	4,211
San Joaquin	685,660	3,502
San Mateo	739,469	3,777
Santa Clara	1,837,075	9,383
Santa Cruz	266,519	1,361
Sonoma	484,470	2,474
Total	10,227,852	<b>52,240</b>

Funding Shares Based on Voter-Approved Sales Taxes - South		
County	Population Factor	Funding Share
Imperial	176,158	937
Los Angeles	10,363,850	55,093
Orange	3,121,251	16,592
Riverside	2,088,322	11,101
San Bernardino	2,055,766	10,928
San Diego	3,146,274	16,725
Santa Barbara	428,655	2,279
Tulare	435,254	2,314
Total	21,815,530	<b>115,969</b>

## STATE-LOCAL PARTNERSHIP PROGRAM ACCOUNT STATUTES

### Article 2. Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 and Program

#### **Allocation of Bond Proceeds to Programs**

*Added: Proposition 1B (2006)*

8879.23. The Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 is hereby created in the State Treasury. The Legislature intends that the proceeds of bonds deposited in the fund shall be used to fund the mobility, safety, and air quality improvements described in this article over the course of the next decade. The proceeds of bonds issued and sold pursuant to this chapter for the purposes specified in this chapter shall be allocated in the following manner:

...

(g) One billion dollars (\$1,000,000,000) shall be deposited in the State-Local Partnership Program Account, which is hereby created in the fund. The funds shall be available, upon appropriation by the Legislature and subject to such conditions and criteria as the Legislature may provide by statute, for allocation by the California Transportation Commission over a five-year period to eligible transportation projects nominated by an applicant transportation agency. A dollar for dollar match of local funds shall be required for an applicant transportation agency to receive state funds under this program.

\* \* \* \* \*

#### CHAPTER 12.491

#### IMPLEMENTATION OF THE HIGHWAY SAFETY, TRAFFIC REDUCTION, AIR QUALITY, AND PORT SECURITY BOND ACT OF 2006

#### Article 1. General Provisions

#### **Definitions**

*Added: Chapter 181, Statutes of 2007 (SB 88); amended Chapter 313, Statutes of 2007 (AB 193)*

8879.50 (a) As used in this chapter and in Chapter 12.49 (commencing with Section 8879.20), the following terms have the following meanings:

- (1) "Commission" means the California Transportation Commission.
- (2) "Department" means the Department of Transportation.
- (3) "Administrative agency" means the state agency responsible for programming bond funds made available by Chapter 12.49 (commencing with Section 8879.20), as specified in subdivision (c).
- (4) Unless otherwise specified in this chapter, "project" includes equipment purchase, construction, right-of-way acquisition, and project delivery costs.
- (5) "Recipient agency" means the recipient of bond funds made available by Chapter 12.49 (commencing with Section 8879.20) that is responsible for implementation of an approved project.
- (6) "Fund" shall have the meaning as defined in subdivision (c) of Section 8879.20.



(b) Administrative costs, including audit and program oversight costs for agencies, commissions, or departments administering programs funded pursuant to this chapter, recoverable by bond funds shall not exceed 3 percent of the program's cost.

(c) The administrative agency for each bond account is as follows:

(1) The commission is the administrative agency for the Corridor Mobility Improvement Account; the Trade Corridors Improvement Fund; the State Route 99 Account; the State and Local Partnership Program Account; the Local Bridge Seismic Retrofit Account; the Highway-Railroad Crossing Safety Account; and the Highway Safety, Rehabilitation and Preservation Account.

(2) The Office of Homeland Security and the Office of Emergency Services are the administrative agencies for the Port and Maritime Security Account and the Transit System Safety, Security, and Disaster Response Account.

(3) The department is the administrative agency for the Public Transportation Modernization, Improvement, and Service Enhancement Account.

(d) The administrative agency may not approve project fund allocations for any project until the recipient agency provides a project funding plan that demonstrates that the funds are expected to be reasonably available and sufficient to complete the project. The administrative agency may approve funding for useable project segments only if the benefits associated with each individual segment are sufficient to meet the objectives of the program from which the individual segment is funded.

(e) Guidelines adopted by the administrative agency pursuant to this chapter and Chapter 12.49 (commencing with Section 879.20) are intended to provide internal guidance for the agency and shall be exempt from the Administrative Procedures Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3), and shall do all of the following:

(1) Provide for the audit of project expenditures and outcomes.

(2) Require that the useful life of the project be identified as part of the project nomination process.

(3) Require that project nominations have project delivery milestones, including, but not limited to, start and completion dates for environmental clearance, land acquisition, design, construction bid award, construction completion, and project closeout, as applicable.

(f)(1) As a condition for allocation of funds to a specific project under Chapter 12.49 (commencing with Section 8879.20), the administrative agency shall require the recipient agency to report, on a semiannual basis, on the activities and progress made toward implementation of the project. The administrative agency shall forward the report to the Department of Finance by means approved by the Department of Finance. The purpose of the report is to ensure that the project is being executed in a timely fashion, and is within the scope and budget identified when the decision was made to fund the project. If it is anticipated that project costs will exceed the approved project budget, the recipient agency shall provide a plan to the administrative agency for achieving the benefits of the project by either downscoping the project to remain within budget or by identifying an alternative funding source to meet the cost increase. The administrative agency may either approve the corrective plan or direct the recipient agency to modify its plan.

(2) Within six months of the project becoming operable, the recipient agency shall provide a report to the administrative agency on the final costs of the project as compared

to the approved project budget, the project duration as compared to the original project schedule as of the date of allocation, and performance outcomes derived from the project compared to those described in the original application for funding. The administrative agency shall forward the report to the Department of Finance by means approved by the Department of Finance.

\* \* \* \* \*

## Article 11. State-Local Partnership Program

### **Legislative Intent**

*Added: Chapter 756, Statutes of 2008 (AB 268)*

8879.66. (a) It is the intent of the Legislature, pursuant to subdivision (g) of Section 8879.23, to establish criteria and conditions for use of the fund in the State-Local Partnership Program Account in the Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006. These criteria and conditions shall include, but need not be limited to, eligibility of applicants, eligibility of projects, timely use of funds, and relationship of funds in the account to other funds for transportation purposes.

(b) The purpose of the State-Local Partnership Program is to do both of the following:

(1) Reward "self-help" counties, cities, districts, and regional transportation agencies in which voters have approved fees or taxes solely dedicated to transportation improvements.

(2) Provide funds for a wide variety of capital projects that are typically funded in local or regional voter-approved expenditure plans and that provide mobility, accessibility, system connectivity, safety, or air quality benefits.

(c) It is further the intent of the Legislature that all funds available in the account, pursuant to subdivision (g) of Section 8879.23, shall be made available for allocation by the commission over a period of five years.

### **Definitions**

*Added: Chapter 756, Statutes of 2008 (AB 268)*

8879.67. For purposes of this article, the following definitions shall apply:

(a) "Program" means the State-Local Partnership Program established in this article and funded pursuant to subdivision (g) of Section 8879.23.

(b) "Uniform developer fees" means developer fees imposed pursuant to existing statutory authority, including, but not limited to, Chapter 5 (commencing with Section 66000) of Division 1 of Title 7 and Article 5 (commencing with Section 66483) of Chapter 4 of Division 2 of Title 7. The developer fees must be imposed by a local ordinance or resolution adopted by a city, county, or city and county and must be dedicated to transportation purposes to address cumulative transportation impacts. The developer fees must be uniformly applied to new development within a defined area or jurisdiction, except in cases in which fees are waived, such as for affordable housing development. Developer fees imposed to mitigate onsite impacts related to a specific development project do not qualify as uniform developer fees under this subdivision.

**Eligible Applicant**

*Added: Chapter 756, Statutes of 2008 (AB 268)*

8879.68. An eligible applicant under the program shall be a local or regional transportation agency that has responsibility for funding, procuring, or constructing transportation improvements within its jurisdiction, and that does either of the following:

- (a) Has sought and received voter approval for the imposition of taxes or fees solely dedicated to transportation improvements and administers those taxes or fees.
- (b) Has imposed uniform developer fees.

**Eligible Matching Funds**

*Added: Chapter 756, Statutes of 2008 (AB 268)*

8879.69. Eligible local matching funds required to obtain funding under the program shall be obtained from revenues from any voter-approved local or regional tax or fee solely dedicated to transportation improvements, or from uniform developer fees. Tax or fee, for purposes of this section, means a countywide or citywide sales tax, a property or parcel tax in a county or counties or district, and voter-approved bridge tolls or voter-approved fees dedicated to specific transportation improvements.

**Eligible Projects**

*Added: Chapter 756, Statutes of 2008 (AB 268)*

8879.70. (a) Eligible projects shall include all of the following:

(1) Improvements to the state highway system, including, but not limited to, all of the following:

(A) Major rehabilitation of an existing segment that extends the useful life of the segment by at least 15 years.

(B) New construction to increase capacity of a highway segment that improves mobility or reduces congestion on that segment.

(C) Safety or operational improvements on a highway segment that are intended to reduce accidents and fatalities or improve traffic flow on that segment.

(2) Improvements to transit facilities, including guideways, that expand transit services, increase transit ridership, improve transit safety, enhance access or convenience of the traveling public, or otherwise provide or facilitate a viable alternative to driving.

(3) The acquisition, retrofit, or rehabilitation of rolling stock, buses, or other transit equipment, including, but not limited to, maintenance facilities, transit stations, transit guideways, passenger shelters, and fare collection equipment with a useful life of at least 10 years. The acquisition of vans, buses, and other equipment necessary for the provision of transit services for seniors and people with disabilities by transit and other local agencies is an eligible project under this paragraph.

(4) Improvements to the local road system, including, but not limited to, both of the following:

(A) Major roadway rehabilitation, resurfacing, or reconstruction that extends its useful life by at least 15 years.

(B) New construction and facilities to increase capacity, improve mobility, or enhance safety.

(5) Improvements to bicycle or pedestrian safety or mobility with a useful life of at least 15 years.

(6) Improvements to mitigate the environmental impacts of new transportation infrastructure on a locality's or region's air quality or water quality, commonly known as "urban runoff," including, but not limited to, the installation of catch basin screens, filters, and inserts, or other best management practices for capturing or treating urban runoff.

(b) For purposes of the program, a separate phase or stage of construction for an eligible project may include mitigation of the project's environmental impacts, including, but not limited to, soundwalls, landscaping, wetlands or habitat restoration or creation, replacement plantings, and drainage facilities.

### **Two Subaccounts: Voter-Approved Taxes and Fees, Uniform Developer Fees**

*Added: Chapter 756, Statutes of 2008 (AB 268)*

8879.71. (a) For purposes of distributing funds annually appropriated by the Legislature to the State-Local Partnership Program Account, the commission shall segregate the funds into two separate subaccounts, which are hereby created in the account, as follows:

(1) Ninety-five percent of the funds shall be deposited into the Voter-Approved Taxes and Fees Subaccount and shall be made available to eligible applicants as defined in subdivision (a) of Section 8879.68 for expenditure on eligible projects, as approved by the commission. Funds in this subaccount shall be distributed by formula, pursuant to Section 8879.72.

(2) Five percent of the funds shall be deposited into the Uniform Developer Fees Subaccount and shall be made available to eligible applicants as defined in subdivision (b) of Section 8879.68 for expenditure on eligible projects, as approved by the commission. Funds in this subaccount shall be distributed through a competitive grant application process to be administered by the commission pursuant to Section 8879.73.

(b) Notwithstanding Section 13340, the money in the subaccounts described in subdivision (a) are hereby appropriated, without regard to fiscal year, to the commission for the purposes described in subdivision (a).

### **Voter-Approved Taxes and Fees: Funding Shares**

*Added: Chapter 756, Statutes of 2008 (AB 268)*

8879.72. (a) To establish the funding shares for each eligible applicant described in paragraph (1) of subdivision (a) of Section 8879.71, the commission shall do the following prior to the commencement of a funding cycle:

(1) Determine the total amount of annual revenue generated from voter-approved sales taxes, voter-approved parcel or property taxes, and voter-approved bridge tolls dedicated to transportation improvements according to the most recent available data reported to the State Board of Equalization, the Controller, or the Bay Area Toll Authority.

(2) Establish a northern California and southern California share by attributing the proportional share of revenues from voter-approved sales taxes, voter-approved parcel or property taxes, and voter-approved bridge tolls dedicated to transportation improvements and imposed in counties in northern California to the northern share, and by attributing the proportional share of revenues from voter-approved sales taxes imposed in counties located in southern California to the southern share. The determination of whether a

county is located in northern or southern California shall be based on the definitions set forth in Section 187 of the Streets and Highways Code.

(3) Program funds made available to the southern share, based on the determination in paragraph (2), shall be distributed to the entity responsible for programming and allocating revenues from the sales tax in proportion to the population of the county in which the entity is located compared to the total population of southern California counties with voter-approved sales taxes dedicated to transportation improvements. For the purpose of calculating population, the commission shall use the most recent information available from the Department of Finance.

(4) Program funds made available to the northern share, based on the determination in paragraph (2), shall be distributed as follows:

(A) Program funds generated by voter-approved bridge tolls and voter-approved parcel or property taxes dedicated to transportation improvements shall be distributed to the entity responsible for programming and allocating revenues from the toll or tax based on the proportional share of revenues generated by the toll or tax by that entity in comparison to the total revenues generated by voter-approved sales taxes, voter-approved parcel or property taxes, and voter-approved bridge tolls dedicated to transportation improvements in northern California.

(B) Program funds generated by voter-approved sales taxes dedicated to transportation improvements shall be distributed to the entity responsible for programming and allocating revenues from the sales tax in proportion to the population of the county in which the entity is located compared to the total population of the northern California counties with voter-approved sales taxes dedicated to transportation improvements. For the purposes of calculating population, the commission shall use the most recent information available for the Department of Finance.

(b) Under this section, each fiscal year in which funds are appropriated for the program shall constitute a funding cycle.

(c) Each eligible applicant desiring to participate in the program in any funding cycle under this section shall submit to the commission all of the following:

(1) A description of the eligible project nominated for funding, including a description of the project's cost, scope, and specific improvements and benefits it is anticipated to achieve.

(2) A description of the project's current status, including the phase of delivery the project is in at the time it is nominated for funding and a schedule for the project's completion.

(3) A description of how the project would support transportation and land use planning goals within the region.

(4) The amount of eligible local matching funds the applicant is committing to the project.

(5) The amount of program funds the applicant seeks from the program for the project.

(d) The commission shall review nominated projects under this section and their accompanying documentation to ensure that each nominated project meets the requirements of this article and to confirm that each project has a commitment of the requisite amount of eligible local matching funds as required in this article. Upon

conducting the review of the requirements and determining the proposed projects to be in compliance with this article, the projects shall be deemed eligible.

(e) An eligible applicant that is identified to receive an allocation of funds under this section, but that does not submit a project for funding in a funding cycle, may utilize its funding share in a subsequent funding cycle.

### **Uniform Developer Fees: Competitive Grant Program**

*Added: Chapter 756, Statutes of 2008 (AB 268)*

8879.73. (a) To distribute funds from the Uniform Developer Fees Subaccount to eligible applicants, as defined in paragraph (2) of subdivision (a) of Section 8879.71, the commission shall administer a competitive grant application program pursuant to this section.

(b) Under this section, each fiscal year in which funds are appropriated for the program shall constitute a funding cycle. To ensure that as many eligible applicants as possible may benefit from the competitive portion of the program, no single project shall receive more than one million dollars (\$1,000,000) in a single funding cycle in which program funds are allocated by the commission.

(c) Each eligible applicant desiring to participate in the program in any funding cycle under this section shall submit to the commission all of the following:

(1) A description of the eligible project nominated for funding, including a description of the project's cost, scope, and specific improvements and benefits it is anticipated to achieve.

(2) A description of the project's current status, including the phase of delivery the project is in at the time it is nominated for funding and a schedule for the project's completion.

(3) A description of how the project would support transportation and land use planning goals within the region.

(4) The amount of eligible local matching funds the applicant is committing to the project.

(5) The amount of program funds the applicant seeks from the program for the project.

(d) The commission shall review nominated projects under this section and their accompanying documentation to ensure that each nominated project meets the requirements of this article and to confirm that each project has a commitment of the requisite amount of eligible local matching funds as required in this article. Upon conducting the review of the requirements and determining the proposed projects to be in compliance with this article, the projects shall be deemed eligible.

(e) The commission shall adopt a program of projects under this section that is geographically balanced and provides cost-effective and multimodal, safety, reliability, and environmental benefits. In allocating funds to specific projects, the commission shall give priority to projects that do any of the following:

(1) Can commence construction or implementation of the project in a manner to provide the public benefit at the earliest possible date.

(2) Can enhance the leveragability of bond funds, by utilizing a higher proportion of nonbond funds toward a project's total cost than is otherwise required by this article.

(3) Can demonstrate quantifiable air quality improvements, including, but not limited to, a demonstration that the project can result in a significant reduction in vehicle-miles traveled.

### **Annual Program Cycle, Allocations, Guidelines**

*Added: Chapter 756, Statutes of 2008 (AB 268)*

8879.74. (a) The commission shall adopt a program of projects to receive allocations under this article for each funding cycle, with allocations to projects to be initially made at the commission's meeting in April 2009, and to be made no later than the commission's October meeting for subsequent years.

(b) Projects receiving an allocation under the program shall encumber funds no later than two years after the end of the fiscal year in which an allocation is made by the commission. The commission shall rescind an allocation to a project that fails to comply with these requirements. Rescinded allocations of funds shall, in the case of the program established pursuant to Section 8879.72, be made available for another eligible project proposed by the agency that nominated the original project for funding, and, in the case of the program established in Section 8879.73, be reallocated to other projects during the fiscal year following the year in which the applicable timely use of funds requirement was not met.

(c) The commission shall develop and adopt guidelines to implement this article, and to establish the process for allocating funds to eligible projects under the program, consistent with this article. Prior to adopting the guidelines, the commission shall hold one public hearing in northern California and one public hearing in southern California to review and provide an opportunity for public comment on the proposed guidelines. The commission may incorporate the hearings into its regular meeting schedule.

### **Required Match**

*Added: Chapter 756, Statutes of 2008 (AB 268)*

8879.75. Pursuant to subdivision (g) of Section 8879.23, an eligible project funded pursuant to this article shall require a match of one dollar (\$1) of eligible local matching funds for each dollar of program funds applied for under this article. An applicant may propose to use other funds for the same project, including local, federal, or other state funds, however, those other funds shall not be counted toward the match required by this article.

### **Summary in Annual Report**

*Added: Chapter 756, Statutes of 2008 (AB 268)*

8879.76. The commission shall include in its annual report to the Legislature, required pursuant to Section 14535, a summary of its activities related to the administration of the program. The summary, at a minimum, shall include the description, location, and total cost of each project contained in the program, the amount of bond funds allocated to each project, the status of each project, and a description of the system improvements each project is achieving.